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C O N F I D E N T I A L SECTION 01 OF 03 ADDIS ABABA 001483

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DEPARTMENT FOR AF DAS YAMAMOTO AND AF/E
LONDON, PARIS, ROME FOR AFRICA WATCHER

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SUBJECT: ETHIOPIA: POLITICAL TENSION AND ECONOMIC POTENTIAL
IN OROMIA

Classified By: CHARGE D'AFFAIRES VICKI HUDDLESTON. REASON: 1.4(D)

11. (C) SUMMARY: During a two-day visit (May 16-17) to the West Shoa Zone in the Oromia Region, Charge discussed the current political situation and economic development with the regional administrator, ruling and opposition party members, as well as leading local businessmen. On the surface, the atmosphere in the zone appears calm. However, the tension between the ruling and opposition party members, which was the source of recent sporadic violence, does not seem to have eased significantly. In the midst of the political turmoil, investment in the region is relatively strong and the local administration anticipates further growth in the near term.
END SUMMARY.

12. (C) The Charge, together with P/E Counselor, a Poloff and a senior FSN made a trip to West Shoa May 16-17 to assess current political and economic conditions. Ambo, the capital of the district, lies two hours drive west of Addis Ababa. A number of meetings were held with the local Oromo People's Democratic Organization (OPDO) and Oromo National Congress (ONC) party members, as well as a visit to the Senkele prison/military training camp to follow-up a previous visit in December 2005.

A REGION IN TURMOIL

13. (U) Of the 15 Parliamentary constituencies in the West Shoa Zone, the opposition ONC won 13 seats in the May 2005 elections, the Coalition for Unity and Democracy (CUD) captured one, leaving the OPDO with only one seat. However, the constitution of the Oromia region states that the party that wins the entire region has the right to administer all of the zones. Therefore, despite overwhelming backing for the ONC, the OPDO retains the right to appoint the Administration for the West Shoa Zone.

14. (U) The result of the May 2005 election was a shock and embarrassment for the OPDO. Since the election there have been numerous reports from this zone of violent clashes between the federal police and protesting citizens, leading to mass imprisonment and some fatalities. Though the situation has been mostly peaceful since March 2006, there were two reports of bombings in the zone that coincided with the reported bombings in Addis Ababa. On March 13 an explosive device went off in an open market in Gedo, resulting in 4 deaths and 43 injuries. The ONC blames the

OPDO and claims the dead were ONC members. The OPDO blames the outlawed Oromo Liberation Front (OLF), though no one claimed responsibility and no arrests have been made. Another explosion took place on May 12 in Ambo town near an elementary school. There were no fatalities and arrests were made. Predictably, the ONC accuses the OPDO, while the OPDO claims the individual arrested admitted to being an ONC member.

15. (U) Despite the recent political tension, there appears to moderately strong economic progress in the region. There are currently 175 investment projects identified in the zone in various stages of operation, with a total of USD 250 million in capital. Of these 175 projects, 73 have begun operations, 20 are currently under construction and the remaining are still in the planning stage. The most significant sectors attracting investors are manufacturing, food crops and cut flowers. A new, paved road leading to Addis Ababa is under construction that should stimulate further growth and investment.

OPDO: UNAPOLOGETIC AND IN CONTROL

16. (C) The team met with Alemayehu Ejigu, the local regional administrator and head of the OPDO, as well and OPDO zonal membership coordinator Lechisa Hayu. OPDO representatives reiterated that their mandate for political control of the zone is clearly stated in the regional constitution, but added that they have an "open door policy" and are willing to work productively with the ONC, so long as the latter,s approach is peaceful. They stressed that both the OPDO and ONC generally have common ideas on peace and development and

ADDIS ABAB 00001483 002 OF 003

they are committed to the political process, since "that is how modern democracies should work." In response to questioning by the Charge regarding the election results and potential difficulty in administering the region, the OPDO leadership claimed that despite the loss at the ballot box, they have made strides in winning the hearts and minds of the people during their year in office. They freely admitted to having detained many students and ONC party members as a result of violent clashes since the election, but noted that all have been released except 10 students and 5 ONC regional parliamentarians. They also acknowledged the shooting death of two students by federal police, but pointed out that an officer has been convicted by the zonal high court for his actions in these shootings.

17. (C) On economic matters, Mr. Ejigu identified his government,s approach toward attracting investors as one of non-interference. He mentioned that there are 3,400 hectares of land currently used by these investors, and an additional 6,000 hectares are being prepared for future investment projects. Previously, if an investor wanted to acquire land, they were required to work through the government in order to work out an arrangement with local subsistence farmers occupying that land, and to organize the 5-year subsidy that the investor would pay dislocated farmers. Now, however, the investor can work directly with the farmers and any involvement by the government is simply to ensure a fair subsidy. When addressing the matter of security and how this might influence investors, Mr. Ejigu pointed out that nearly all of the investors are located in the portion of the zone that is nearest Addis Ababa, which has been less prone to unrest, but that political troubles have not deterred investment altogether. However, he stressed the importance of dialogue with the ONC in order to stabilize the region to increase the flow of new investors further.

ONC: TWO PARTIES, TWO APPROACHES?

¶8. (C) The meeting with the ONC was attended by the zonal party Chairman, Alemayehu Erosso, the Deputy Chairman, Tadesse Ereso and the Secretary General, Major Tamirat Olio. The ONC leaders claimed that the OPDO,s stated "open door policy" is fictitious, and that despite attempts to have regular meetings, the OPDO has demonstrated little willingness to listen. They maintain that in the few opportunities that they have had to discuss issues with the OPDO leadership, resulting agreements were subsequently broken.

¶9. (C) Though the ONC party leadership acknowledged that the Carter Center,s report on the results of the general election of May 2005 (which suggested that, despite irregularities in the voting, the ruling party won the majority of votes) is likely accurate, they stated that "fallacious elections cannot be accepted" and that the will of the people is demonstrated by the people,s uprising against the government. They admitted that a significant portion of their electorate is in fact more politically aligned with the outlawed OLF, but that the ONC is their only recognized alternative at this time.

¶10. (C) The ONC party leadership claimed that since November 2005, thousands of students and several ONC regional parliamentarians have been detained, numerous women have been raped by federal police, and 46 people were killed in crackdowns on student protests. They stressed that the ONC has had great difficulty in reconciliation while members of their party are still in jail without bail or official charges and while their offices are still closed. Further, they contend that it is difficult to persuade many of their younger party members to stick to peaceful means following these events, rather than engaging in violence.

ONLY POLICE AT SENKELE NOW

¶11. (C) As a follow-up to a US Embassy visit in December 2005, the team returned to Senkele Police Training Camp to determine whether this site was still in use a detention facility for arrested demonstrators. The Charge and P/E

ADDIS ABAB 00001483 003 OF 003

counselor met with Commander Gomachu, a deputy director of the camp to ask about the current use of the facility and general police training and activity in the region.

¶12. (C) Commander Gomachu acknowledged past detentions at the camp, but that these were due to overflow in the prison system. He also confirmed that at times police were required to use extreme force to quell demonstrations, but that this was due to a lack of funding, manpower and equipment, rather than simple brutality. At this time, the camp is used for training of approximately 1,000 police recruits. The team was given a tour of the facility, and while conditions for the residents were very crowded and in poor repair, there did not appear to be any prisoners being kept at the facility presently.

ECONOMIC PROGRESS DESITE CHAOS

¶13. (C) During the visit, the Charge and P/E counselor discussed the investment climate with two Ethiopian businessmen that have recently invested in the region. The first visit was with Samuel Zewdu, an Ethiopian-American owner of a flour mill and bakery near Ambo town. He reports providing 90 percent of the supply of bread sold in the local market. Although he has intentions of growing his business, he is waiting for the completion of a better road to the capital before launching a large-scale expansion. In order to establish his factory, he was required to build 5 kilometers of power lines as well as to tap the local river

for water supply. He repeatedly expressed his frustration with the local administration in responding to the requirements of local businesspeople. He contrasted local obstruction and indifference with the receptiveness and quick responses of the Federal level Minister responsible for investment promotion.

¶14. (C) The second visit was with Solomon Sebhatu, the owner of Menagesha flower farm. Solomon, in contrast with Zewdu, reported no complaints of working with the government. He runs a very prosperous and growing flower business. His farm, located closer to Addis Ababa and accessible by paved road, exports roses to the European market. Solomon invested 40 million Ethiopian Birr to acquire his 62 hectares of land and to build a modern greenhouse system capable of producing world class flowers. Mr. Solomon has strong political connections with the ruling party and has reported no problems with government interference or political unrest. He plans to expand his facilities in the near future.

¶15. (C) COMMENT: Both the OPDO and the ONC claim to be working in the interests of the Oromo people and it is difficult to identify policy differences between the two parties. The ONC has difficulty articulating why the population voted for them, other than as a voice against the national ruling party. In this sense, ONC representatives admit that many voters, real preference would be the outlawed OLF. With a lack of policy difference, the struggle between the parties remains primarily a fight for power. Visits with the local businessmen confirmed that in fact investors can be successful given the political environment, but that challenges stem not as much from the unrest as from a lack of infrastructure and slow response from the local government. END COMMENT.
HUDDLESTON